

# Mpac Group

## Global Supplier Requirements Manual

Version date: 08/03/2024

This document is issued and controlled by:

Mpac Group Global Supply Chain & QHSE

All prior editions are obsolete and should not be used.

**It is the user's responsibility to ensure that only the latest revision is used.**

*The latest revision can be obtained from our website:*

<https://MPAC-group.com>

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## 1. Introduction

Mpac Group views Suppliers as vital members of our team. It is essential to work together to provide our customers with products that meet or exceed their expectations and standards. Our mutual success is dependent on satisfied customers.

The purpose of this Supplier Requirements Manual is to provide Mpac Suppliers:

- Standards for quality, delivery and service;
- Procedures for working with Mpac Divisions globally;
- Procedures for working with Mpac Supply Chain Operations; and,
- Requirements necessary to meet Mpac Customer requirements.

Mpac Group internal procedures support this manual. It is the responsibility of the supplier to review, understand and conform to all requirements in this manual that are applicable to the product or service provided to Mpac.

## 2. Mpac Group Policies

### 2.1 Quality, Health, Safety and Environment (QHSE)

Mpac Group's aim is to achieve the optimum balance in the performance of the enterprise's activities between care for Quality, Health & Safety and Environment and healthy economic business development. The policy aims to supply products and services that comply fully with our customers' needs and requirements. Customer satisfaction is actively monitored.

Mpac Group works to ensure the safety, health and welfare of its employees and visitors are protected.

Mpac Group strives for continuous improvement of its performance in all areas of QHSE and the management system. To achieve this, an annual program of projects with targets is prepared and is measured to control and reduce deviations and costs.

### 2.2 Purchasing Policies

#### 2.2.1 Objectives

Mpac Group strives for a mutually beneficial, long lasting business relationships with our Suppliers. Results can only be achieved through creation of an optimal supply chain creating value for all parties, enabling the Supplier to grow and develop together with Mpac Group. Mpac Group is committed to developing a robust global supply chain focused on continuous improvement efforts, contributing to long lasting business relationships with our suppliers and customers with aspirations for growth by attaining:

- Quality: reliable products & performance
- Logistics: on time delivery, every time
- Innovative product and process solutions
- Competitive Costs

## **2.2.2 Relationship Development**

Mpac Group culture requires our employees to communicate in a respectful, open, honest, direct and fact-based manner with our Suppliers. Communication channels must be clear to both Mpac Group and the Supplier so that, if escalation is required, it can be easily and quickly facilitated.

Mpac Group requires immediate and factual support in the event of problems and/or issues requiring expedient solutions. Failure to meet commitments by the Supplier, and/or problems in the relationship between Mpac Group and the Supplier, should be communicated openly and quickly to ensure expedient resolution and damage/loss prevention for both parties. Transparency is key in these situations, enabling expedient communication of any issues with our internal and external customers to manage expectations effectively.

To prevent misunderstandings in verbal communication, agreements and commitments must be confirmed in writing. It is essential that agreed actions are executed on time and according to the agreements made.

## **2.2.3 Intellectual and Industrial Property rights; Confidentiality**

It is important for Mpac Group to reserve the right to the knowledge that it has developed over the years. All business relations can only start after Mpac Group and the Supplier have agreed on confidentiality and on the non-disclosure of all the information the Supplier receives from Mpac Group.

The Supplier shall sign a NDA (Non-Disclosure Agreement) with the site it is supplying product to. The Supplier shall keep the confidential information of Mpac Group in confidence and shall not use it for other purposes than the purpose determined by Mpac Group. The Supplier shall comply with the specific requirements of the applicable Confidentiality/Non-Disclosure Agreement.

All intellectual property rights (including, without limitation, all database rights, copyrights, rights in designs, rights in know-how, patents and rights to inventions, information, content, materials, data or processes) belong to Mpac Group. The Supplier is obligated to return any and all bearers of Mpac Group's Intellectual Property Rights at Mpac Group's request.

All information or data (including, without limitation, drawings, models, designs, diagrams, technical documents and other business information and know-how in the widest sense of the word) in whatever form supplied which is directly or indirectly disclosed or made available by Mpac Group to the Supplier shall be kept secret and confidential at all times.

Supplier may only use the confidential information for the performance of its contractual obligations. Supplier shall take all responsible precautions to protect such confidential information from unauthorized or negligent disclosure.

Without prior written approval of Mpac Group, Supplier shall not publish the names of Mpac Group and/or its clients and/or subsequent owners nor shall it make public any and all information obtained from Mpac Group for the execution of orders.

### 3. Mpac Group Requirements for Suppliers

#### 3.1 General Requirements

- Legal Company

The Supplier must be registered as a legal company.

- Submitting the necessary information

The Supplier shall provide necessary information to Mpac Group to ensure/assess Supplier's compliance with Mpac Group Requirements. The Supplier shall also inform Mpac Group of any gaps in its performance. Mpac Group will handle this information confidentially and will not use the information publicly without the permission of the Supplier.

- Use of sub-Suppliers

Upon request Mpac Group shall have access to the Supplier's tiered supply base. The supplier is responsible to ensure any condition under 3.2 of this manual apply to the Supplier's supply chain.

- General Terms and Conditions

The Supplier shall be familiar with the General Terms and Conditions of Mpac Group, as specified in each site's Conditions of Purchase.

#### 3.2 General Conduct Requirements

**Mission:** We design, build and support the machines that assemble and package the products that millions of people around the world depend on.

**Purpose:** Through innovative technology and exceptional service, we help our customers to provide food and drink, healthcare, and clean sustainable energy across the world.

MPAC Group requires that we, and our suppliers and partners, ensure:

- No use of child or forced labor.
- No engagement in any practice of slavery, servitude, forced labor, compulsory labor or human trafficking.
- Implement due diligence procedures for our own suppliers and subcontractors to ensure that there is no slavery or human trafficking in our supply chain.
- Notify Mpac Leadership as soon as we become aware of any instances of human trafficking and/or slavery and provide details of the steps taken to remedy.
- Respect Human Rights and promote our employee's material well-being by providing competitive compensation and benefits that comply with applicable laws.
- Respect employee's right to associate freely and bargain collectively.
- Comply with applicable laws regulating hours of work.
- Not discriminate based on gender, race, color, creed, religion, age, national origin, sexual orientation, gender identity, disability or veteran status.
- Maintain a healthy and safe work environment.
- Work constructively with local communities and indigenous people.

- We operate in an honest way without the use of corrupt practices or acts of bribery to obtain an unfair advantage. We comply with all applicable anti-bribery laws and never accept or offer illegal payments, bribes, kickbacks, or other things to secure work or influence business decisions. Compliance with all applicable anti-bribery and corruption laws is non-negotiable and is expected.
- Conduct business in a manner that provides responsibly for the protection of health and the environment.
- It is Mpac Group's policy to comply with the laws applicable to its business in each country in which its business is carried out. No employee has authority to deviate or direct that any other may deviate from this policy.
- MPAC believes in the development and operation of competitive open markets and the liberalization of trade and investment in each country and market in which we operate. We require Mpac businesses, employees, partners and suppliers to conduct their operations in accordance with the principles of fair competition and not to enter into any activity constituting anti-competitive behavior.

All Suppliers are to comply with the MPAC Group policies on ethical business conduct, which can be found on our website at the following link: <https://mpac-group.com/group-policies>.

Further to the above, Mpac Group are dedicated to maintaining a Quality Culture with:

- Continuous improvement using lean tools.
- Using proactive performance measures.
- Leading product and process innovations.
- Team based problem solving.
- Rewarding employee involvement.
- Exceeding customer expectations.

The above guides our business relationships with our Suppliers. MPAC Group's Suppliers are expected to conduct their business in minimum compliance with all the above. Mpac Group reserves the right to audit the Supplier's compliance. The Supplier is also required to comply with Mpac Group Conditions of Purchase including, without limitation, compliance with all applicable laws.

### **3.3 Customer Service/Warranty Support**

Information flow between Mpac Group divisions and their Suppliers is vital to success. It is therefore imperative for all Suppliers to communicate to Mpac Group in an accurate, professional and timely manner. Suppliers need to ensure that they acknowledge, understand and take proper actions. Follow through is vital.

- **WARRANTY SUPPORT** – Suppliers must perform all warranty support expeditiously and as set out in all contract arrangements. Field failures determined to be caused in whole or in part by a Supplier will require that a full analysis of the parts in question be conducted and reports shall be provided by the Supplier as part of the correction actions. All risks shall be noted and any other additional opportunities shall be documented by Supplier and communicated to all interested parties.

### 3.4 Technical & Safety Requirements

- Technical capabilities

The Supplier shall have the necessary design, manufacturing, inspection and service capabilities required by Mpac Group.

- Technical performance and compliance

The Supplier's product and/or service quality shall fulfill Mpac Group's performance and compliance requirements. The Supplier shall ensure the product and/or service complies with all the applicable safety regulations and requirements. General safety should meet or exceed Category 3 and systems with robots should only comply to ANSI/RIA R15.06/08. The Supplier is legally required to archive a technical construction file.

### 3.5 Document Requirements

The supplier shall recognize the importance of supplying the required documents according to the specifications of Mpac Group. Documents shall be regarded as an integral part of the delivery together with the product(s) and/or service(s) to be delivered.

Documents must be supplied in the English language as a minimum requirement, unless specified otherwise. Documents shall be supplied to the address specified in the Purchase Order.

Shipping documentation and invoices must contain:

- Mpac Purchase Order #
- Mpac Part #
- MPAC Revision Level (if required)
- Accurate Quantity
- Pricing Matching Mpac Purchase Order

Performance of timeliness, quality and completeness of document delivery will be measured on a continuous basis.

### 3.6 Quality Requirements

- Quality Management System

The Supplier should have a certified Quality Management System created according to "ISO9001: latest revision" or equivalent at the minimum. For non-certified Suppliers, a secondary audit process may be performed dependent upon the Supplier's quality performance and importance of the product supplied/annual spend.

- Inspections at Supplier's Site

The Supplier shall allow MPAC Group, its representative or a representative of Mpac Group's client to carry out inspections at its premises, as well as Sub-Supplier's premise, upon request.

- Process Mapping and Quality Plans

Suppliers shall have its processes mapped and implemented as well as the Quality plans for Mpac Group products, where applicable. Suppliers shall also have a system in place to ensure the traceability of materials/products.

- Corrective and Preventive Actions

The Supplier shall have a system in place for corrective and preventive actions for nonconformities.

- Legislation

Suppliers shall be aware of and comply with all the relevant quality legislation as required by the country the Supplier's facilities and operations reside.

### **3.7 Environmental Requirements**

Mpac Group is committed to the permanent protection of our environment, land, water and air. This can only be achieved through joint efforts between us and our supply base. Most importantly, we must strive for continuous improvement in our environmental performance. Mpac and its Suppliers must comply with all applicable environmental laws and regulations. Mpac Suppliers should measure, manage and address energy usage, greenhouse gas emissions, water usage and waste in their operation.

- Environmental Management System

Suppliers should have an environmental management system created according to ISO14001 or equivalent.

- Legislation

Suppliers shall be aware of and comply with all the relevant environmental legislation as required by the country where the Supplier's facilities and operations reside.

### **3.8 Occupational Health & Safety Requirements**

- Occupational Health and Safety Program

Suppliers shall have management approved occupational health and safety programs implemented.

- Safety Plan, Personnel and Equipment

The Supplier shall have an approved safety plan for emergency situations, as well as trained personnel. The Supplier shall have sufficient safety equipment in all significant premises for emergency situations.

- Legislation

Supplier shall be aware of and comply with all the relevant occupational health and safety legislation as required by the country of where the Supplier's facilities and operations reside.



## 4. Supplier Qualification

### 4.1 General Principles

Before qualifying as an approved Supplier for Mpac Group, a Supplier Selection and Onboarding Process may take place. During this process Mpac Group will evaluate the Supplier on several elements, including but not limited to:

- Structure, organization and strategy.
- Quality Management System, plans, tools and processes.
- Capabilities, experience and training level of personnel.
- Capabilities and flexibility of the (production) facilities.
- Document control.
- Product traceability.
- Non-conformity handling and change management.
- Environmental, social and governance matters.

Suppliers will be assessed against Supplier Profiles, which are part of the Mpac Group Procurement Strategy.

### 4.2 Supplier Audit

A Supplier Audit may take place at the Supplier's premises and will be carried out by auditors appointed by MPAC Group. Upon completion of the the audit a Supplier Review Audit Report may be provided with observations, conclusions and recommendations.

Besides being part of the Supplier Selection Process, a Supplier Audit can also be part of the Supplier Performance Review Process.

### 4.3 Supplier Performance Review

After qualifying as an approved Supplier for Mpac Group, a Supplier Performance Review Process is under development to measure the performance of the Supplier on a continuous basis. Specific criteria are to be fully defined but it will be developed in consideration of on time delivery, quality and pricing.

### 4.4 Supplier (Qualification) Status

Suppliers may request their status from Supply Chain, Mpac Group. Mpac Group uses a system for rating the Suppliers:

*A – Approved Supplier:*

The Supplier is active and complies with the targets that are set for that category of Suppliers. These Suppliers are considered strategic/preferred and should be included in RFQ's that fall within their capability. The status will be reviewed on a regular basis by MPAC GROUP.

*B - Secondary Approved Supplier:*

The Supplier is active and complies with the targets that are set for that category of Suppliers. These Suppliers are considered secondary and may be included in RFQ's that fall within their capability.

#### C – Customer Approved Supplier:

The Supplier is active and we use as required by our Customer. The customer dictates which items are to be awarded to these suppliers for their specific projects.

#### *Blacklist – Disapproved Supplier:*

The Supplier does not meet the targets. As such they are not permitted to be sourced or issued RFQ's. Sourcing to a supplier in the Penalty Box requires approval from the Director of Supply Chain or site-specific Procurement/Supply Chain Lead.

Suppliers are rated based on quality and delivery performance. Supplier should strive for 100% Quality and 100% on time delivery. The ratings may be adjusted based on other factors and issues. Examples of favorable factors that would improve a rating include prompt corrective actions, solid quality systems and state of the art material and labeling systems. Unfavorable factors would include slow corrective actions, and/or poor quality systems.

Mpac Group are committed to assisting our Suppliers to improve and will work collaboratively with strategic underperforming partners to improve their status.

- The identified lead function will then create and maintain the respective action plans per Supplier, where required.
- The objective of this process is to raise the selected Supplier's performance to an acceptable level within 6 months or sooner.

If the Supplier fails to deliver improvement through the agreed development action plan, then further actions will be considered in agreement with Supply Chain. These actions can include reduction of business, full exit of business or economic penalties.

## **5. Product Qualification**

### **5.1 Non-Conforming Material**

Non-conforming material from the Supplier may be found at receiving, during production, or at a customer site. Mpac Group will notify the Supplier in writing of any defect and these shall be corrected by the Supplier through repair or replacement of the defective goods. If the goods have already been delivered by Mpac Group to its customer, such repair or replacement may take place at Mpac Group customer's site. Any such corrective action shall be completed immediately after receipt of the Mpac Group's notice. If not, Mpac Group may perform the repair and/or replacement itself or by a third party at Supplier's risk and cost.

When the Supplier is notified of an issue from Mpac Group, it is expected that the Supplier take whatever measures necessary to prevent any further shipping of suspect materials to Mpac Group. The Supplier is to notify Mpac Group about materials which may be affected and are in transit or are already received.

When Supplier caused nonconforming material is found, Mpac Group may issue a Non-Conformance Report (NCR). The NCR will give details of the parts, description of the discrepancy, suspect quantity and corrective action requirements, etc.

The Supplier is responsible for providing an initial response within 24 hours of issuance of the NCR, Corrective Action response within 10 days. These parts may be returned to the Supplier for credit and corrective action at the Supplier's expense. The Supplier is expected to supply certified parts and remove discrepant material from the Mpac

Group location or customer site. Dependent on severity, Supplier may be required to bear all costs associated with the discrepant material costs.

Corrective action reports should address the root cause for the occurrence and failure of the quality system. Suppliers are encouraged to use mistake-proofing methodologies in their corrective action.

Nonconformities will be recorded and counted as such in the performance data of the Supplier.

## **5.2 Cost of poor Quality**

The Supplier is responsible for all products and services delivered by the Supplier. Supplier is obligated to do everything possible to eliminate and/or minimize the damage resulting from failure caused by the Supplier.

Costs incurred by Mpac Group that are associated with the failure of the Supplier to meet Mpac Group requirements may be charged back. This includes the cost of additional inspection, visits of Mpac Group personnel, its representatives, and representatives of Mpac Group clients. It is the responsibility of the Supplier to ensure its liability according to good local standards and in a sufficient amount.

## **5.3 Packaging Requirements**

The Supplier shall comply with the recommended and accepted industry practices regarding shipping, product protection, preservation, etc. along with any specific Mpac Group packaging and labelling requirements as defined in the purchase order, specifications, drawings, prints, contracts, instruction or any other agreements.

When the packaging requirements are not defined by Mpac Group, the Supplier shall ensure material is appropriately packaged to prevent damage or deterioration from handling and other damage that is common of various shipping companies and carriers while product or material is in transit to Mpac Group or any other specified destination. Supplier shall comply with the recommended and accepted industry guidelines for shipping. Further, ship packaging, such as wood pallets must meet governmental regulations.

All accompanying paperwork and labelling must include Mpac Part Numbers and Purchase Order Numbers and, where applicable, Revision ID.

## **5.4 Change Control**

After an order has been placed, any change to the product specifications must be requested to Mpac Group by submitting a Deviation Request. A Deviation Request must be submitted to Mpac Group Engineering and Purchasing for approval by Mpac Group prior to delivery of the materials. At a minimum the Deviation Request must include the following:

- Mpac Part Number;
- Revision ID, if applicable;
- Detailed description of deviation;
- Quantity of product to be produced under deviation;
- Corrective actions to be implemented and timing for implementation;
- Method of identification of deviated parts.

Under no circumstances shall the Supplier ship discrepant parts to an applicable Mpac Group business without obtaining a signed deviation. Any parts shipped without written authorization may be rejected and returned to the Supplier at the Supplier's expense. Mpac Group reserves the right to cancel any deviation at any time for any reason. Any additional costs incurred by the applicable Mpac Group site will be charged to the Supplier.

The Supplier shall keep records of all Deviation Requests and corresponding Mpac Group approvals. A copy of the Deviation Request form with approval must be attached to the product before shipping. For all Deviation Requests submitted, Mpac Group will determine the necessity of a First Piece Qualification.

## **6. Materials**

### **6.1 Inventory Control**

The Supplier shall maintain a FIFO (First in First Out) inventory control system to track the quantities of raw materials, in process material, on hand finished goods and shipments to Mpac Group.

### **6.2 Supply Chain Map**

Some customers of Mpac require us to identify our associated Suppliers and each process step through the entire supply chain. Information such as subcontractor names, manufacturing location are documented. This should be available upon request of Mpac Group

### **6.3 Sanctions and Embargos**

Supplier will, at all times, ensure it complies with all sanctions and embargos administered by the United Nations, U.S. Departments of State, Treasury or Commerce, the European Union, the United Kingdom or any other applicable government authority (including all banned metals and conflict materials).

Supplier is required to implement sufficient processes to undertake reasonable inquiry into the country of origin of any Conflict Minerals, banned metals or sanctioned materials. Supplier will provide Mpac Group with such information, documents and other supporting materials as we may reasonably request to evidence Supplier's continuing compliance with this Section.

## **7. Global Sourcing**

### **7.1 General Policy**

Global sourcing plays an important role in remaining competitive. However, global sourcing poses unique challenges. Global sources shall be selected in conformance with Mpac Policies. However, recognizing the unique challenges that global sources face, Mpac Group acknowledges the following unique requirements:

- The supplier must have representatives with a good command of written and verbal English, in addition to their native language(s).
- The supplier must have experience in supplying to the North American and/or European packaging industry.
- The Supplier must have established a good track record of business history and have a sound financial situation.
- The Supplier must conduct its business operation with ethical standard in conformance with European and North American business practices.

REVISION LIST:

Date	Description of Revision	Author
1Feb2024	Creation of Manual	AS/AD/CM/PS
8Mar2024	Addition of Section 6.3	Alasdair Adie/CM